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SUBJECT: ETHIOPIA: BI-WEEKLY REPORT AUGUST 30 2006

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¶1. The following reports compiled over the last two weeks illustrate the variety of economic, political, and social developments occurring in Ethiopia.

POLITICAL

Strategic Plan for National Electoral Board Complete

¶2. (U) On August 24, UNDP-funded consultant Hannah Roberts told representatives of the international donor community that she received complete cooperation and buy-in from National Electoral Board (NEB) officials in developing a new five-year development plan which will restructure of organization. She informed donors that the revised structure and development plan have been accepted by NEB management and will soon be submitted to parliament for approval, as well as to the inter-party dialogues that are ongoing. The five-year plan calls for a significant increase in NEB staffing, from the current 200 employees to nearly 1,000 by year five. It includes permanent staff in zonal and regional offices. The plan also outlines broad guidelines for development of electoral practices, as well as the creation of a modern IT backbone, which is currently lacking. Upon completion of the plan, Roberts believes the reformed NEB will reflect international best practices. It is unclear, however, how many changes will be in place in time for the first wave of local elections planned for mid-2007. The international donor community is coordinating assistance to support the 5-year plan, particularly in the initial stages of training new staff and building an IT infrastructure.

Three Die In Shootout Between Federal and Local Police

¶3. (SBU) The Oromia Police Commission confirmed that an altercation between Federal and local police on August 15 left three (two Federal and one local police) dead and three local police wounded in the Oromo town of Gedo. The cause of the incident is still under investigation but post law enforcement sources reported that this was the result of long-standing animosity between the groups. Police sources added that the Federal police considers itself an elite force and looks down on the more provincial local police. There were also likely ethnic tensions involved, since Federal police may not have been Oromos. A high-level team from the Oromia Police Commission has been dispatched to Gedo to investigate.

Student Clashes At Haromaya and Jimma Universities

¶4. (U) Over the weekend violence erupted on two university campuses (Haromaya and Jimma) when student clashed over

ethnic differences. Oromo students in Haromaya were angered and fought with groups of Tigrean and Amhara students when a word that Oromos find offensive was seen printed on a shirt worn by a non-Oromo student. Federal police and defense forces entered the campus to restore order and remove instigators. They all posted a list of students expelled for "inciting violence, disrupting campus peace, and obstructing the teaching-learning process." A related incident occurred at Jimma University when students allegedly heard a Deutsche Welle report on violence at Haromaya and began fighting. Eighteen students (rumored to be Oromo) and the Dean of Students were arrested. The Vice Minister for Education met with the Jimma University Senate and announced there would be a crackdown on staff as well as students, as "investigations have shown" there were active instigators of inter-ethnic violence among these groups. These incidents are the latest in a string of violent, ethnically charged episodes that have occurred on university campuses over the past year.

ECONOMIC

Second Fuel Hike In Three Months

15. (U) The Ethiopian Council of Ministers approved a double-digit price hike for oil and oil products citing rising international market prices. Effective August 27, the cost of a liter of gas rose 24.2 percent to 94 cents, a liter of diesel rose 13.8 percent to 63 cents, and a liter of kerosene rose 19.4 percent to 47 cents. This is the second price hike in four months as the GOE seeks to reduce the fiscal burden of high fuel subsidies. A report submitted to the Council of Ministers recommended that price adjustments continue over the next two years until gas reaches a price of \$1.38/liter.

Internet Coffee Auction Yields Record Prices

16. (U) On August 24, ECAFE, a non-profit, U.S.-based organization sponsored an internet coffee auction in Ethiopia

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which yielded record prices for high quality Ethiopian coffee. The auction sold three containers of coffee averaging \$2.67/lb for a total of \$254,000. The highest price in the auction, a record, was \$10.65/lb. USAID-funded contractors will continue to improve the auction and expand its scope. The average price for Ethiopian coffee is \$1/lb.

DEVELOPMENT

USAID Commits \$150K to Acute Watery Diarrhea

17. (U) USAID's Mission Director visited Awasa and met with the President of the SNNPR and other officials the week of August 21. During his visit, the Director announced a donation of \$50,000 to help the regional health bureau in its fight against acute water diarrhea. The funds will be used to support training, logistical costs, and supplies, including water treatment equipment and safe water products. USAID previously committed another \$100,000 worth of emergency and humanitarian assistance to SNNPR to help people affected by acute water diarrhea.

Flooding in South Omo

18. (U) USAID also mobilized \$50,000 to help people displaced from their homes by the recent flooding in South Omo. Working with its partner, the International Rescue Committee (IRC) and the regional water bureau, USAID funds were used to purchase emergency water kits, 150ml bottles of water guard, emergency water kits, water tanks, and five sets of surface watering pumps to help decrease the amount of standing water.

USAID is working with another partner, Mercy Corps, to see if funds can be used to provide boats to bring supplies to families stranded by high water. In addition to South Omo, USAID continues to monitor flooding in other regions and work closely with national, regional and local governments to identify areas for assistance and response.

REFUGEES

Regional Refugee Coordinator for Resettlement Visits Ethiopia

¶9. (U) Nairobi-based Refugee Coordinator for Admissions Bill Lehmberg and Ann Marie Winter from the Overseas Processing Entity (OPE) Kenya were in Ethiopia August 21-24. Lehmberg, Winter and post's refugee assistant traveled to Shimelba refugee camp August 22 where the Kunama verification operation was wrapping up its four-week exercise. While talking with UNHCR staff, a number of issues were raised including a shortage of UNHCR staff both in the camp and in the field office in Sheraro, and the lack of non-food items (namely blankets and plastic sheeting) that are available for newly arriving refugees. UNHCR also reported that the Democratic Movement for the Liberation of Eritrean Kunama (DMLEK) was operating and actively recruiting in the camp.

ENVIRONMENT

State Minister of Natural Resources On Board For Wildlife Stakeholders Meeting

¶10. (U) At a meeting on August 25, the Ethiopian State Minister of Natural Resources expressed his interest in convening a wildlife stakeholders meeting and assigned a representative from his office to serve on the organizing committee. The goal of the U.S. sponsored wildlife stakeholders meeting is to convene representatives from the Ethiopian Federal and regional governments, civil society, international and local NGOs, and donor governments to clarify guidelines and mechanisms for halting the illegal capture and trade of wildlife.

GOE Sends Representatives to Geothermal Resources Council Conference

¶11. (U) After receiving funding for travel costs from the U.S. Department of Energy, four Ethiopians (two representatives from the Ethiopian Geological Survey and two from the Ethiopian Electric Power Company) will attend the Geothermal Resources Council conference in the United States in September.
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